

holdings of each depository institution will be transferred from the off-line system at the Federal Reserve Bank of New York to the Federal Reserve Bank or Branch in the district in which the depository institution is located. Thereafter, transfers may be effected nationwide on the securities wire. Depository institutions with on-line connections to the Federal Reserve Bank in their district may initiate and receive transfers of CUBES directly and against payment. Depository institutions that do not have on-line connections with the Federal Reserve Bank in their district may initiate and receive transfers of CUBES against payment in accordance with the procedures normally used for off-line book-entry securities.

(b) The terms and conditions governing off-line transfers of CUBES as provided in the written agreement governing CUBES also apply to the one-time transfer of CUBES balances from the off-line system at the Federal Reserve Bank of New York to the Federal Reserve Bank in the district in which the depository institution is located. However, no fee will be charged for this transfer.

(c) CUBES balances cannot be transferred back to the off-line system at the Federal Reserve Bank of New York.

(d) The on-line book-entry transfer fee applies to on-line transfers of CUBES. The off-line book-entry transfer fee applies to off-line transfers of CUBES.

(e) Upon transfer from the off-line system at the Federal Reserve Bank of New York to the Federal Reserve Bank in the depository institution's district, amounts of less than one dollar in the aggregate per CUBES CUSIP are waived.

§358.3 Governing regulations.

CUBES are deemed to be securities for purposes of subparts A, B, and D of part 357 of this chapter.

[61 FR 43638, Aug. 23, 1996]

§358.4 Supplements, amendments or revisions.

The Secretary may, at any time, prescribe additional supplemental, amendatory or revised regulations with respect to CUBES.

APPENDIX A TO PART 358—TERMS OF THE WRITTEN AGREEMENT GOVERNING PARTICIPATION IN THE CUBES PROGRAM

(1) By signing this agreement and by submitting coupons for conversion to book-entry accounts under CUBES, the undersigned depository institution (DI) agrees to be bound by all the terms and conditions stated herein and agrees to follow all written instructions and procedures provided by the Federal Reserve Bank of New York (FRBNY) and the Treasury.

(2) Presentation of physical coupons to FRBNY for conversion to book-entry accounts under the CUBES program constitutes a representation by the DI that it has authority to convert said coupons to book-entry form and that said coupons were stripped prior to January 5, 1987.

(3) Instructions to effect transfers between CUBES accounts constitutes a representation that the DI has authority to effect such transfers.

(4) The Treasury and FRBNY acting as fiscal agent of the United States, shall not be liable for conversion or for participation in any breach of fiduciary duty or legal obligation if the DI has no right or authority to convert the coupons to book-entry form or to take other actions in respect to book-entry accounts in CUBES.

(5) Neither the Treasury nor FRBNY shall be liable for any loss incurred by the DI which results from the failure of the DI to properly follow the written procedures provided by FRBNY and the Treasury.

(6) Coupons will be accepted for conversion only between January 5, 1987 and April 30, 1987. No coupons will be accepted for conversion from the undersigned after April 30, 1987. Coupons shall be submitted in accordance with a schedule provided by FRBNY.

(7) The DI agrees to bear the full cost and risk of loss associated with the delivery of the coupons to FRBNY. The United States assumes the risk of transportation of the submitted coupons between FRBNY and the Treasury.

(8) Coupons must be submitted to FRBNY in accordance with the instructions provided and must be accompanied by Form GB 122, executed by an authorized officer of the DI.

(9) Only stripped Treasury coupons maturing on or after January 15, 1988, are eligible for conversion to book-entry form under CUBES, except those maturing after the first date of call.

(10) Any coupons which are returned to the DI will be returned at the DI's risk and expense.

(11) The DI's presentation(s) of physical coupons will be subject to rejection or adjustment until verified by both FRBNY and the Treasury.

(12) The DI will pay a non-refundable fee of four dollars (\$4.00) for each coupon presented